

# FEB

2020 issue

RESEARCH BULLETIN

A hand holding a crystal ball that reflects a sunset over a body of water. The sun is low on the horizon, creating a bright reflection on the water and within the crystal ball. The sky is a mix of orange, yellow, and blue. The water in the foreground is slightly blurred, showing the reflection of the sun.

**expanding horizon  
exceeding the vision**



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# DEAN FOREWORD

After almost a year of planning and plenty of hard (but always rewarding) work on this project, it is my honor and privilege to bring you 2020 Research Bulletin!

This research bulletin is a collaborative contribution of everyone in the faculty that detailed updates on conferences, grants, lunch hour talks, workshops and publications by the dedicated academicians in FEB. The year of 2018 saw the University's continuous effort in sustaining the excellence that we generated in the previous years by aiming the year of 2018 as a year of empowering research and innovation as well as building a solid foundation in facing the forthcoming wave of IR4.0! 2019 year was the year of pride as we are ranked at 501+ of THE (Times Higher Education) World University Ranking for Business and Economics.

Over the years, the government and the university have aided in funding research grants at various levels. In addition, the university has also sponsored valuable seminars and workshops that brought together talented and promising researchers in the field of economics and business. The faculty is proud of the role it has played in developing and shaping the researchers, novice or not, but we need your help to continue the fight. With your gift to our research interest and collective bargaining, I sincerely believe that more research grants, collaborations, seminars and alike will take place and benefits both our students and academicians.

I would like to take this opportunity to congratulate all members of the faculty who were involved in the research activities and events as well as publications in 2018! I would also highlight the effort of everyone in the spirit of TEGUH BERSAMA has enabled the faculty to achieve the Key Performance Index (KPI) set for the year 2019 in indexed publications. All of this is the result of a broad collaboration between an incredibly talented, dedicated and insightful group of individuals here in the Faculty.

I thank all the people involved in making this Research Bulletin a reading piece that our entire faculty can be proud of, as I do you for becoming a reader of the bulletin and helping to continue the conversations started here!

Stay with us—and expect more!

Sincerely,

Assoc.Prof. Dr. Rossazana Ab. Rahim  
Dean  
Faculty of Economics & Business  
UNIMAS



# Editor's Note



2019 has seen many great achievements for our faculty especially in research and publication. Stepping into 2020, the faculty vision to become regional economics and business scholarship has become clear and no doubt, we are among the best in the world! (we are the in the 500 world ranks! how cool is that!!). It is a high time for us to expand the horizon especially in research, be it the topics and issues, methodology and interdisciplinary. It is time to exceed the vision that has been set up a decade ago and step forward boldly. We need to encourage more multidisciplinary research, advance in methodology, tackling critical community and society issues, and widen our research networking. We need to work together not just within the faculty members but also scholars from various backgrounds. It is hope that this issue not just highlighted past year research activities but also inspire us to expand our research horizon. Happy reading!

*NORDIANA AHMAD NORDIN*



# editorial team

## Editor

Nordiana Ahmad Nordin

## Team

AP Dr Dayang Affizah Awang Marikan

Dr Irma Yazreen Md Yusoff

Pn Nurul Izza Abd Malek

Dr Nur Zaimah Ubaidillah

Pn Farah Dipah

En Ahmad Syubaili

Dr Khairil Annuar



**FEB Research Bulletin**  
Focused.Energertic.Bold



news & events

# FEB OPEN DAY & LAUNCH OF RESEARCH ROOM

Faculty of Economics and Business, Universiti Malaysia Sarawak (UNIMAS) held its first Open Day 2019 on 15th and 16th October 2019. The main objective of the FEB Open Day is to promote closer collaboration with various stakeholders, such as the industry players and communities. Activities organized for the event include, amongst others, inaugural lectures, seminars, research showcase, investment lab showcase and miscellaneous activities at the academic corner, lifelong learning corner, industry booth, activities by students' club and so forth.

The opening ceremony was officiated by Professor Dr Ahmad Hata Rasit, Deputy Vice-Chancellor (Academic & International), representing Vice-Chancellor of UNIMAS and attended by Deans and Directors of Faculty and Institutes, including representatives from both public and private sectors such as Puan Roslawati binti Yahya, Director, Department of Statistic Malaysia Sarawak State, Dr Richard Record, Lead Economist, World Bank, Mr Su Chung Jye, Chairman/CEO, Regal International Group Ltd, strategic partners, representatives from secondary schools, members of UNIMAS and students.

FEB Open Day 2019 also signifies an important milestone for FEB by the launching of FEB Research Room. The objective of the room is to boost research activities among FEB members. The research room provides a casual and relax ambience for researchers to meet and to encourage more productive and creative discussion. Situated at level one in FEB building the room is now open to all for use from 8am to 5pm.







## INAUGURAL LECTURE PROF. DR LO MAY CHIUN

### RURAL TOURISM MANAGEMENT IN SARAWAK

Faculty of Economics and Business, Universiti Malaysia Sarawak (UNIMAS) held Inaugural Lecture by Professor Dr Lo May Chiun, an established scholar and researcher in the field of Management, Finance, and Tourism Management.

Professor Dr Lo May Chiun's lecture was witnessed by YBhg Professor Datuk Dr Mohamad Kadim Suaidi, Vice Chancellor UNIMAS, YBhg Mr Hii Chang Kee, Permanent Secretary, Ministry of Tourism, Arts and Culture Sarawak, YBhg Prof John Wilson, Deputy Vice Chancellor and Chief Executive Officer of Swinburne University of Technology, Sarawak campus, YBhg Professor Dr Wan Hashim Wan Ibrahim, Deputy Vice Chancellor (Research & Innovation), YBhg Professor Dr Hj Ahmad Hata Rasit, Deputy Vice-Chancellor (Academic & International), Deans and Directors of Faculty and Institutes, including top management and representatives from both public and private sectors, strategic partners, members of UNIMAS and students.

The title of her lecture is "Rural Tourism Management in Sarawak", whereby she shared the current scenario in tourism industry that is integrated with technology, social, cultural, environmental and economic transformations have brought about successive changes and resulted in a growing number of tourists to the rural tourism destinations. Although there has been vast interest in the development of the rural tourism to improve economic standing of the rural communities, the complexities of the tourism development have always been underestimated. Rural tourism destinations have its own resources and locational requirements that must be met to be sustainable. This inaugural lecture provides insights into the ways that the management of rural tourism business are able to leverage on the location niche and their unique selling propositions to generate better income for the communities, industry players and the government.





# AIXCHANGE: CEO @ FACULTY PROGRAM “LEARN FROM THE PROS” by DR SALIHIN BIN ABANG



The talk by Yang Berbahagia (Dr) Salihin Bin Abang is about “Tomorrow’s Firm: The SALIHIN Experience”. The world is fast changing driven by mega trends especially the exponential technological advancement that characterizes the Fourth Industrial Revolution (IR 4.0). It defines and shapes every sphere of our future, presenting us with challenges for those who neglect it and opportunities for those who embrace it. Capitalizing on its opportunities requires future-proofing our businesses and human resources. Businesses need to strategize with cutting-edge technology while the human resources must prepare for future roles. Thus, students being the future captains should not be preparing for work that will not exist in the future. They should be educated on the skill-set of future roles to be future-fit. Based on this premise, the sharing session will avail both students and lecturers the opportunity to appreciate the challenges ahead and how to adequately prepare for it. In this regard, it will highlight the impact of IR 4.0, the kinds of work and skill-set of the future, technology trends in accountancy & the future of accountancy and & Accounting education for the future. Through a case study of SALIHIN, practical strategies, experience and insight are shared to stimulate and boost the confidence of students as future entrepreneurs or employees

CEO Talk by Yang Berbahagia (Dr) Salihin Bin Abang was held on 7th November 2019 under the Academia-Industry Talent Exchange Program or AIXCHANGE: CEO @ FACULTY PROGRAM (CFP) 1.0. Yang Berbahagia (Dr) Salihin Bin Abang is the founder and Managing Partner of SALIHIN and former President of the Malaysian Institute of Accountants (MIA). The main objective of the event is to promote the sharing of knowledge and expertise that can be mutually beneficial to both academia and industry. It is one of the initiatives under AIXCHANGE involving the participation of leading figures from private companies, government-linked companies and multinational companies (MNCs) that will contribute to the sharing of experience and expertise to the university community. The CEO Talk by Yang Berbahagia (Dr) Salihin Bin Abang was attended by Yang Berbahagia Prof Datuk Dr Mohamad Kadim Bin Suaidi, Vice-Chancellor of UNIMAS, Deans and Directors of Faculty and Institutes, members of UNIMAS and students.



# 4th Borneo Business Research Colloquium



On 15th-16th October 2019, Faculty of Economics & Business, UNIMAS held its annual embodiment of Borneo Business Research Colloquium (BBRC). This was the fourth time FEB organized the event, this time with collaboration from Universiti Teknologi Mara (UiTM) Kota Samarahan. BBRC like other events that precedes it such as the IBBC and APMC are annual events held by FEB where it acts as a knowledge dissemination and networking enhancement platform for young scholars. BBRC like its previous versions aims to instill research culture among the postgraduates of FEB.

The first BBRC was held in 2016 which had attract a tremendous numbers of participants among postgraduate. Since then BBRC have received enormous support from participants and the management team of Faculty of Economic and Business. This year's BBRC features presentation by scholars from multidisciplinary field similar to previous years' BBRC. BBRC provides a stage for the postgraduates students; Doctor of Philosophy and Master degree candidates to express their thoughts and share their knowledge in research.

The theme for the 4th BBRC was "Nurturing Research Towards Scholarly Enhancement". In line with this theme, the objective this year was to develop the research culture within the young scholars' in order to produce quality researches as well acquiring the skills in terms of presentation, expressing their thoughts, and sharing their knowledge in research. This time around BBRC held presentation as their sole medium of knowledge dissemination for the colloquium which allowed young scholars to develop their skills and overcome the challenge in sharing knowledge from their research. The organizing committee of the 4th BBRC is proud to say that the event was a smooth and successful one. Congratulations to all those involved in the event!!!



## SMART PLS Workshop

PLS-SEM workshop was held at Faculty of Economics and Business. It was a great session with two instructors, Dr Hiram Ting and Dr Jacky Cheah. Dr Jacky Cheah has published many articles regarding to SMART PLS with Prof. Dr. Christian M. Ringle. There were thirty participants from postgraduate students and academicians attended the two-days workshop. In the workshop, participants went through some understanding of basic, theory, application and reporting of PLS- SEM and later specifying Structural model, Mediation, Moderator, Multigroup analysis and Hierarchical component models that are useful in business, economics and finance areas. The workshop was a success and achieved the objective to provide a hands-on training of SmartPLS software.



## Panel Data Analysis Workshop by Dr Mahyudin Ahmad.

Faculty of Economics and Business had organized a "Panel Data Analysis Workshop Static and Dynamic" on 28 February 2019 at Computer Lab 5, FEB. The two-days' workshop was solely facilitated by a Senior Lecturer from Department of Economics, Faculty of Business and Management, Universiti Teknologi MARA (UiTM), Perlis. This workshop revealed to the participants who among them are FEB academicians and postgraduate students, some understanding of basic econometrics and its application to economic data. The applied panel data workshop covers basic static panel data estimations and dynamic panel data models that are useful in economics, finance and business areas.



## Applied Quantitative Analysis Workshop.

Faculty of Economics & Business (FEB) had organized an “Applied Quantitative (Time Series) Analysis Workshop” at Computer Lab 5, FEB which was held from 19th to 20th of August 2019. This two days’ hands-on workshop was solely facilitated by a well-known expert of time series analysis from our faculty, Associate Professor Dr. Chin-Hong Puah cum Chief Executive Officer at the UNIMAS Business School, University Malaysia Sarawak (UNIMAS). This workshop gave a valuable exposure to the participants who among them are FEB academicians and postgraduate students in applying the hands-on time-series analysis by using EVIEW software.



## Dr. Daniel Turner (Founder of Quirkos Limited)

The founder of Quirkos Limited, Dr. Daniel Turner had come to the FEB on 17th July 2019, giving a talk on “The Art of Conducting Qualitative Research and doing Analysis with Quirkos “. Quirkos aims to grow the field of qualitative research using a qualitative software that can be learnt and thought quickly and is driven by the needs of users. The talk has attracted more than 40 participants from various fields of research in UNIMAS. It was a beneficial talk, giving us an exposure about doing qualitative research analysis with the aid of Quirkos.





## Professor Lau Sim Yee from Reitaku University, Japan

It was an unforgettable day when Professor Lau Sim Yee from Reitaku University, Japan came to our Faculty of Economics and Business (FEB) sharing his knowledge on “Globalization and Education: Drawing Lessons from Education, Leadership and Organizational Management in Japan”. It was held on 20th September 2019 at the FEB meeting room and attended by our academicians and students. The session evidently showed fruitful knowledge and exchanging view regarding education, leadership and organizational management in Japan and lesson that can be adopted from Japan experiences to be applied in Malaysia.



## Professor Dr. Iftekhar Hassan sharing session

On 3rd August 2019 we were glad to have Dr. Iftekhar Hasan in our faculty, giving a talk which is known as “Publishing in Reputable International Journal”. He is a University Professor at Fordham University who holds the E. Gerald Corrigan Chair in Finance at the Gabelli School. The two (2) hours session talk had nevertheless given ideas and tips to academicians and post graduates students on how to successfully publish in a reputable international journal.



**UNIMAS**  
UNIVERSITI MALAYSIA SARAWAK  
ECONOMICS AND BUSINESS

# “Surviving MSc / PhD”

**Speaker : Professor Dr. Iftekhar Hasan**  
Corrigan Chair in International Business and Finance  
Managing Editor of Journal of Financial Stability

**Date : 03 August 2019**  
**Time: 10:00 am**  
**Venue: Conference Room**

Professor Hasan has over 340 publications in print (~16,500 google citations, H-Index 62 and I-index 200; REPEC Rank at the top 1%)



## UNIVERSITAS INDONESIA VISIT

Faculty of Economics and Business, UNIMAS was very pleased to welcome delegates from The Universitas Indonesia (UI) for a short visit to our faculty on 21 November 2019. Among delegates were head of programs and university management. This visit was a part of the Universitas Indonesia Industry networking activities aim to establish cooperation and relation among Malaysian Universities. Among other subjects that had been discussed in this visit was the potential collaboration between Faculty of Economics and Business, UNIMAS and The Universitas Indonesia in academic matters including research and consultation activities. In this visit also, the intention was brought forward on the potential to co-organize conferences together in the future. This was one of the strategies to increase institutional visibility as well as conference participation.



## POSTGRADUATE DINNER

On 29th November 2019, Faculty of Economic and Business (FEB), Universiti Malaysia Sarawak (UNIMAS) hosted Postgraduate Annual Dinner 2019 at Merdeka Palace Hotel & Suites, Kuching, Malaysia. The annual dinner was hosted to appreciate the committee members of Post-graduate Association of Faculty of Economics and Business (PAFEB) and 4th Borneo Business Research Colloquium BBRC 2019. Moreover, it was the first Postgraduate Annual Dinner hosted by FEB to connect the post-graduate students of the faculty. The occasion was glorified with the participation of many local and international post-graduate students, non-academic staff, faculty members,

Advisor of PAFEB, BBRC and Post-graduate student Coordinator Associate Prof. Dr. Dayang Affizah Bt Awang Marikan and Deputy Dean Research Associate Prof. Dr. Rossazana Bt Ab Rahim. The Dean FEB, Associate Prof. Mr. Michael Tinggi also honored the event as Chief Guest. The Chief Guest Mr. Michael Tinggi, Deputy Chairman PAFEB Mr. Ashemi Baba Ali and Chairman BBRC Mr. Muhammad Bilal Ahsin addressed the participants of the dinner. The Dean also presented the token of appreciation to PAFEB and BBRC committee members. The event offered post-graduate students and faculty members an opportunity to share their culture and celebrate over an evening with delicious food, music and festivities. The participants also enjoyed cultural and musical performances by post-graduate students and the students were also accorded with souvenirs.





**DOCTORAL QOLLOQUIUM**  
How to publish in Scopus Indexed Journal: Do's and Don'ts

Narasumber dan Pembahas:

  
Prof. Law Siong Hook, B.Sc., M.Econ., Ph.D  
Editor in Chief International Journal of Economics and Management (IJEM)  
Scopus Q2  
Universiti Putra Malaysia

  
Dr. Rayendra Khresna Brahmana  
Associate Editor International Journal of Business and Society (IJBIS)  
Scopus Q3  
Universiti Malaysia Sarawak

Sabtu, 16 November 2019  
08.00 WIB - selesai  
Gedung MM & DIM FEB Unpad  
Jl. Dipati Ukur No. 46 Bandung  
<http://bit.ly/doktoralloquium>

**SYARAT EXTENDED ABSTRACT**  
Abstrak panjang dalam 2-3 halaman dengan sistematika berikut:  
(1) JUDUL (termasuk nama Penulis, Program Studi dan alamat email);  
(2) ABSTRACT (abstrak ini harus memberikan informasi yang jelas tentang tujuan, lingkup, teori, metodologi, hasil dan analisa, serta kesimpulan, termasuk keyword);  
(3) PENDAHULUAN (termasuk Latar Belakang);  
(4) TEORI DAN METODOLOGI (Teori yang digunakan dalam disertasi atau tesis, dan metodologi penyelesaian);  
(5) HASIL DAN ANALISA/DISKUSI (Hasil Tugas akhir beserta gambar dan tabel jika ada);  
(6) KESIMPULAN DAN SARAN;  
(7) DAFTAR PUSTAKA.

**FORMAT UMUM**  
- Margin atas 3 cm, margin bawah 2.7 cm.  
- Margin kiri dan kanan 2 cm.  
- Teks rata kiri dan kanan.  
- Font dan ukuran: Times New Roman 12 pt, spasi 1.5.

**GAMBAR DAN TABEL**  
Judul gambar harus dengan font dan ukuran yang sama dengan teks utama.

Terbuka untuk semua mahasiswa dan alumni S3 FEB Unpad



A message from Dr Ersu Tri Wahyuni, who is a DBA program coordinator at Universitas Padjadjaran Bandung was a good surprise. Without any hesitation, I replied her whatsapp "I am free Bu. Definitely will take your kind invitation". It will be my second time giving a talk in Universitas Padjadjaran Bandung where I gave a talk there in 2014. The topic given is about publication, and another facilitator is Prof Law Siong Hook from Universitas Putra Malaysia (UPM). I am thinking about how to attract more attention from participants and how to differentiate from the big name like Prof Law. Why? Because if I fail to impress the participants, no more invitation. Yes, the key of being invited to give talk or seminar or keynote lecturer is in twofold. First, it is about networking. It will start from small network, and then time to time, it will become big. Second, it is about satisfaction of the participants. Note that most of the participants are lecturers who might have high rank in their university. If our presentation is good, they will invite us to give similar workshop in their university. Mine is actually starting from a workshop in Medan Indonesia 2014. I just joined Unimas, and had an invitation to give talk in Universitas Prima Indonesia. Two of the participants invited me again in the same year for two different universities. Then it keeps snowballing.

Relate back to the Bandung's workshop, it was about a doctoral colloquium attended by around 250s PhD students across discipline. It consists of 3 sessions. First session was a 2-hour talk. In this session, each facilitator was given 1 hour (including Q&A session). Second Session was more on hand-in about publication. The final session was the colloquium. In the first session, I tried to create curiosity of the participants. I did not focus on how to write a manuscript as it had been covered by Prof Law. My key points during the talk are (a) publication starts from many readings; (b) follow prominent researchers; (c) follow ToC of top journals; (d) threshold for quantity-over-quality; and (e) writing strategy. Meanwhile, in the last session, I attended all presentations and found many good research topics. For example, in accounting department, there are topics about hexagon fraud and moral intensity. In finance department, there are topics about financing cycle, finance puzzles, and dividend disconnect. In economics department, there are topics about optimal taxation, game theory, and household economics. Unfortunately, I did not go to business department session. It was a good experience. I do not only share knowledge, but also gain new perspective. I met new friends and learn many things from my trip to Bandung. Hopefully, I have another opportunity to enlarge my academia world.

**"Hi Raye. Are you free on 16 November 2019?"**

**Can you come to Bandung for facilitating a workshop?"**

by Dr Rayendra





# NATURAL DISASTER SEMINAR 2019 (SEMINAR BENCANA ALAM 2019)

Natural disaster seminar 2019 is the fifth seminar and the continuation of the Natural Disaster Seminar 2019 that was organised by Natural Disaster Research Centre (NDRC) and the Faculty of Science and Natural Resources, Universiti Malaysia Sabah (UMS). The seminar was aligned with the needs to discover, understand, and investigate the multifaceted aspects as well as dimensions related to the recurring issues of natural disaster in Malaysia with the theme of "Towards the Sustainability of a Better Disaster Risk Management". In Malaysia, specifically, natural disasters such as landslides, flood, beach and river erosion, haze and most recently, the earthquake that happened in Sabah has imposed a significant consequence towards the society in the aspects of economics, environmental, health and security. Hence, the seminar conducted by NDRC provided an opportunity for presenters from various backgrounds to explore and discuss the concerning issues.

The Faculty of Economics and Business, UNIMAS has sent three representatives to present their thought-provoking research during the seminar. Dr Rosita Hamdan presented a paper on "Impacts of Climate Change Vulnerability on the Aquaculture Farmers Sustainable Livelihoods in Malaysia". Ms Audrey Liwan presented a paper on "Level of Public Awareness of Climate Change in Sabah". Nur Zaimah Ubaidillah presented a paper on "Investigating Psychological Determinants for Disaster Preparedness Among Youth". The participants were given an opportunity to go for excursions on three natural disaster sites including Lembah Permai, Kundasang, Mesilau Landslide and Zen Garden. Apart from the natural disaster sites, the participants were able to visit the fish-feeding campsite and conservation area, Poturidong Baru Kiulu Village to discover the Tagal System site and experience the water-rafting activity.



*FEB UNIMAS representatives enjoying the water-rafting activities at Poturidong Baru Kiulu Village.*



# Shaping an Academic Leadership Through Industry Mentoring

BY DR HAMRILA ABDUL LATIFF

The Industrial Revolution 4.0 (IR 4.0) has given a new impetus to educational transformation. In line with I.R. 4.0 inspiration, the CEO@Faculty Programme 2.0 is specifically designed to meet the requirement of 30% of the lecturers to be involved with the real industries. It also serves as a foundation to enhance and redesign the public Higher Education in Malaysia. CEO@Faculty Programme 2.0 (Coach by the Pros) is a unique platform which is tailored to provide maximum benefits through personal coaching by the CEOs, as well as learning negotiation, networking and leadership skills. Under this initiative, the selected candidates were selected and will be attached to respective CEOs according to the assessment results and then will undergo several courses at AKEPT. The placement with CEOs are scheduled to begin in the Q4 of the year where the candidates will spend at least six months under the guidance of the CEOs.

The specific approach of industry mentoring in developing young leadership talents in local public universities focuses on the learning process based on the mentor-mentee own experience, which may vary depending on the respective industries. It is related to an understanding on the management functions and leadership credibility in the context of a national company that involves with natural resources, retails, automotive technology and others.

Representing UNIMAS, Dr. Hamrila has been selected to be the only protegee of Datuk Seri Syed Zainal Abidin Syed Mohamed Tahir, the Vice President (Marketing)-Downstream and the CEO of PETRONAS Dagangan Berhad. During the mentorship attachment, Dr. Hamrila has also given the opportunity to participate in a number of business events such as the Kuala Lumpur International Motor Show (KLIMS 2018) Petronas Fuel Launch 2019, Dealers Conference Launch, the launch of 3R & MESRA Card, which provide a practical learning platform to the mentee in terms of mega-event organization.

Two-way discussions with the CEO are initiated from time to time for the mentoring purposes, whereby the mentee can get professional views on specific matters at their best convenience. Moreover, the understanding is also transpired in terms of learning inputs, by providing more summarized learning notes and shared with the mentor's office. The overall learning process was actually supported with senior officers in the CEO office. The officers under Dato ' Seri Syed Zainal Abidin, namely, Mr. Mohd Fahmi Ismail, Mr. Edward Yeoh, and Ms. Farah Nazuin Zakaria, have assisted by providing supports in terms of technical, related processes and procedures during the mentoring period.

It is prevalent the industry changes has gradually change the needs in particular academia teaching as well as preparing our graduates to be competent with the up-to-date computer technology skills, corporate knowledge, and ability to understand business models and generate value-creation before they leave the University for becoming as parts of the industry. In terms of research, the industry requires more synchronal studies that is customer-centric that are in-line with the international, business market research. In terms of leadership, it is important to consider more external market and customer-based factors and opinions by getting inputs from various sources. In addition, the lesson learnt is that the evaluation of options for decision-making should be detailed and rigorous, particularly when it is related assets, costs and risks.



# *PERSONALITY*

PROF. DR ABU HASSAN BIN MD ISA



When a member of the editorial board of the FEB Research Bulletin approached me and requested me to contribute to the FEP Personality column, I was a bit apprehensive as I knew for sure that I was not the kind of the personality that they were looking for. I consider myself just a mediocre academic, and not a distinguished and highly qualified one. But, my temperament is always for students and their development. This note is just merely a reflection of my experience as an academic.

## **Humble beginning**

My humble beginning as academician went back beyond my tenure with the Faculty of Economics and Business (FEB), UNIMAS which began in 2006. After completing my Bachelor of Science degree with Louisiana State University, U.S.A and my Master of Science degree from Cornell University, New York, U. S. A, I joined the Faculty of Resource Economics and Agribusiness, Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia), Serdang, Selangor, Malaysia.

My area of specialization then was agricultural economics focusing on agricultural finance, project planning and evaluation, and cooperative management and administration. My first administrative position at UPM was the Head, Department of Agricultural Economics.

In 1986 I began to realize that I needed a PhD qualification as my younger staff, some were also my former students, have gone to pursue their PhD studies. I obtained my Ph D in 1990 from Aberdeen University, Scotland, and my thesis was related to Financial Performance of the Farmers' Organizations in Malaysia. In late 1989, I headed home to continue servicing the Faculty of Agribusiness and Resource Economics, UPM.

Subsequently, I was entrusted with another administrative position, the Deputy Dean (Academic and Student Affairs) for nearly 12 years. My colleagues used to brand me 'the longest serving deputy dean in the whole world'.

As the Deputy Dean, I have brought a number of academic development to the faculty. The most important ones were the offerings of new undergraduate programmes: Bachelor Business Administration (BBA), Bachelor of Economics, Bachelor of Accounting, Bachelor of Accounting with Education, and Diploma in Accounting. In my capacity as the Deputy Dean, I also maintained close collaboration with RIIAM (Research Institute of Investment Analysts Malaysia which was part of KLSE then) in offering the Diploma in Investment Analysis to our Diploma of Accounting students. Prior to this, the faculty only offered two undergraduate programmes, namely Bachelor of Science (Agribusiness) and Bachelor of Science (Resource Economics).

I have a number wonderful memories while serving as the Deputy Dean at UPM. One of them related to the uncertainty of a student to graduate on time. The student had completed his course works, and the grade for his final year project was not yet submitted for endorsement. It was due to certain unforeseen circumstances. This happened toward the very end of a semester when the documentation of the list of students graduating was almost settled. This student was supposed to graduate that particular year. Concerning about the fate of the student, I rushed to prepare a working paper to UPM Academic Section to enable the student to graduate on time, in that particular semester. This was done rather hastily within a short span of time. All the red tape and official procedures had to be put aside for the sake of student's future. I very happy to being informed that this student is currently holding a senior position with one of the government agencies, and has passed his ACCA too. The point that I wish to convey here is that, as an academic institution, we should not be too mindful and preoccupied with deadlines and procedures at the expense of students' future. If circumstances permit, flexibility and discretion should be tolerated.

Like other academics, I was also required to publish and get involved in research activities. To my credit, I have around twenty-five publications in the form of journal articles, chapters in books, conference proceedings, and articles for the bulletin produced by UPM and other related agencies. The journal articles were not really in the flagship journals as we were 'not yet pressurized' to do so. In addition, I have written two books entitled Project Evaluation (Penilaian Projek) published by Dewan Bahasa dan Pustaka, and Guide to Financial Management by Thomson Learning, Singapore.



Earlier, my focus was not so much on publications but mainly on consultancy and training. In this regard, we managed to secure at least 12 consultancy projects, and among the exceptional ones were related to Strategic Alliance in Agricultural Cooperatives financed by the ASEAN Secretariat, Jakarta, and Rubber Smallholders' Cooperatives and National Smallholders' Cooperative (NASCO) financed by the World Bank. We were also involved in conducting benchmark study for the formation of Sarawak Land Consolidation and Rehabilitation Authority (SALCRA) Oil Palm Complex in Sarawak. With regard to training, I was invited by a number of government agencies and the Malaysian Institute of Management (MIM) to undertake various training programmes. Among others, it included the training of the staff of the Farmers' Organization Authority and the Ministry of Youth, Culture and Sport. It was a nation-wide training which provided opportunity for me to travel to all states in Malaysia.

With respect to teaching and learning, I have taught a number of courses such as agricultural finance, cooperative administration and management, project planning and evaluation, financial management and corporate finance both at the undergraduate and post-graduate levels. In addition, I was always invited by the Malaysian Insurance Institute and the Institute of Insurance and Risk Management, Hyderabad, India to conduct courses in Economic Aspects of Insurance and Business Environment for their Diploma in Insurance program.



## Migration to Sarawak

I decided to migrate to Sarawak in the middle of 2004 to accept a position as the Director/Associate Professor, School of Business, Curtin University of Technology, Miri, Sarawak. My task at Curtin was mainly to coordinate the offering of undergraduate and graduate courses with Curtin University of Technology, Perth, Australia. While in Curtin, I managed to secure a research grant financed by an accounting professional body entitled 'Performance Measurement: The Balance Scorecard Approach', and a journal article was produced out of this project.

## Delightful Years in Samarahan

In the middle of 2006, I was invited and later offered a professorial position by the Dean, Faculty of Economics and Business, Universiti Malaysia Sarawak (UNIMAS). Subsequently I was appointed the Head, Department of Business and later the Head, Department of Accounting and Finance.

My most memorable achievement as the Head of Department was the offering of two high valued programmes: Bachelor of Finance (Honours) and Bachelor of Accountancy (Honours). For me, this was a very significant academic development for the FEB, UNIMAS. On this point, I certainly cannot resist to acknowledge the significant contribution of two individuals who were instrumental in assisting me formulating the two academic programmes. They are Dr Sophee Sulong Balia and Associate Professor Shaharudin Jakpar. Thank you so much sir!



I would consider my tenure with FEB, UNIMAS has been the most productive part of my academic life, particularly in terms of the supervision of post-graduate students. At the Ph D level, nine of my own students and 11 students that I have co-supervised have already graduated; one has passed his viva voce; two in their final stage of their thesis writing; and one is still in progress. My only Master of Science student from the People's Republic of China has just graduated. Unfortunately, her hometown is about 200 kilometers from Wuhan.

Academics are often invited by other universities to become external examiners to assess their post-graduate students' thesis. At least 16 students' thesis at the PhD and M. Sc levels from other universities have been evaluated. At the same time, I hope to contribute toward the strengthening of our post-graduate programmes at the Faculty of Economics and Business, UNIMAS as an internal examiner for post-graduate students' thesis. On this point, I have been an internal examiner for some 12 PhD and M. Sc students. Publication is one important component of academic evaluation. In this regard, I have around 30 journal articles, 6 chapters in books, 26 conference proceedings, and one MRPA working paper to my credit. In terms of involvement in research, I have been involved in ten research grants awarded by the Ministry of Education and UNIMAS as the principal researcher as well as co-researcher. The research mainly focuses on a number of areas such as entrepreneurial competencies and intellectual capital, financial reporting quality, legal harmonizing framework in resolving legislative conflicts faced by Islamic banking system, white collar crime and stock market performance, independent directors and firms' performance, and competitiveness chicken feed industry. To ensure high quality research proposals are produced by UNIMAS researchers, I was appointed by UNIMAS to chair an Expert Panel for Social Sciences and Humanities. Currently, I continue to be a member of the expert panel.

In my opinion, the core business of an academic is teaching and learning, and at the same time ensuring student development. After having with FEB, UNIMAS for over 14 years, I have been given the opportunity to teach 14 undergraduate courses and 4 post-graduate courses; the most number of courses that I have ever taught. Besides, supervision of students' final year project papers was also undertaken, at an average of 5 – 7 students per year.

One way to assess the performance of an academician to look at the achievement of their students in moving up their ladder of success. A teacher should teach students to learn the difference between right and wrong so that they could grow up to be notable people. To that extent, I am grateful that many of my students are holding high positions both in public and private sectors, such as the vice chancellor of a university, deputy vice chancellors, professors, directors and heads of government agencies, head of a professional body, and CEOs of companies. This would make your life an academician wonderful and enjoyable one.

## Way Forward

The academic environment has changed tremendously. As an analogy, if last time you visited a mosque, its floor was just cement rendered, and then subsequently improved to tiles. Now it is fully carpeted and air-conditioned. The same goes with the academic life. Nowadays, one of the biggest issues facing an academic is that there are a large number of qualified academics competing for a small number of positions. Even a highly talented and hardworking individual who has published extensively may not even successful in securing the desired position.



Therefore, beside from being prolific in their research and publication, and having a vast teaching experience, it would be necessary for an academician to possess certain salient attributes. Among others, they may include the ability to conceptual ideas, able to articulate ideas and concepts, possess leadership quality, able to be a team player, uphold highest ethical standards, able to develop a network of peers, if required, willing to sacrifice personal gain, knowledgeable about national and global issues, significant contribution to the community and nation, and most importantly willingness to accept responsibility. The list is rather broad and long and not all academics can possess the desired traits. It is advisable for academics to aim at possessing as many traits as possible. We don't drive a car if we don't have the driving license and don't know the driving regulations and the meaning of the road signs. Similarly, if we wish to be a successful academic, we ought to recognize and possess the basic traits required.

## Concluding Remarks

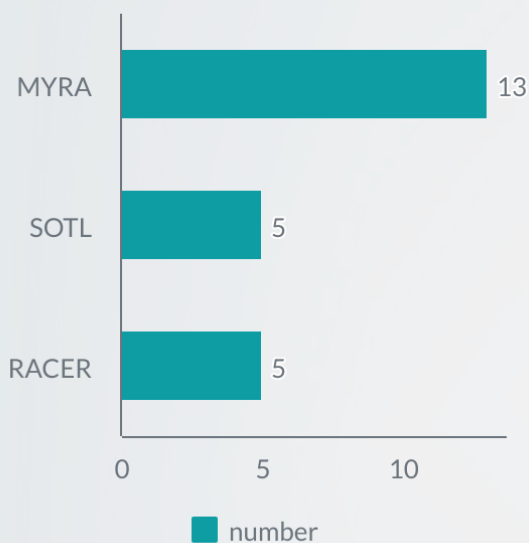
This is just a reflection of some 40 years' experience as an academician. It is just a long experience and not necessary an outstanding one when compared to others with more reputable achievement. Remember the lyric of the song 'To Sir with Love' sang by a Scottish singer, Lulu, "who has taken you from crayon to perfume". Teach students right from wrong, and then you will earn their respect and also from the community. Academicians ought to continuously remain healthy for effective performance of their teaching and learning functions. Therefore, exercise regularly, and avoid joining the 'Cholesterols Club' who might have caused the closure of some steamboat restaurants. One of the pros of being an academic is that working hours in academia may be more flexible compared to other professions. You may leave office early to pick up your child from school, but don't forget to come back and proceed with your work once your child is asleep. A happy staff work better, and normally, happiness drives creativity and promotes success. In addition to its relative freedom, you have the company of other brilliant minds. Undoubtedly, it is a very noble profession; therefore, value it and enjoy it. If life is a game, I wish you win always. Wishing you all the best in your future endeavors.





The background image shows a dark wooden desk. In the upper left, a portion of a laptop is visible, showing keys for 'B', 'N', 'M', 'command', 'option', and an arrow key. Below the laptop, a resume template is spread out. The resume features a bar chart titled 'Our company' with a legend for 'Receipts', 'Sales', and 'Orders'. Below this is a line chart titled 'Business Items' with a legend for 'Sales' and 'Orders'. To the right of the charts, the 'EXPERIENCE' section is visible, containing three entries with 'POSITION TITLE' and 'for company tid'. At the bottom right, the 'REFERENCES' section is partially visible.

# grants & publications



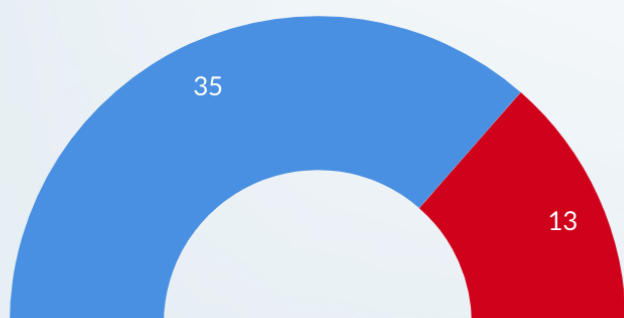
*RM 20,000*  
Average **Research Grant** award



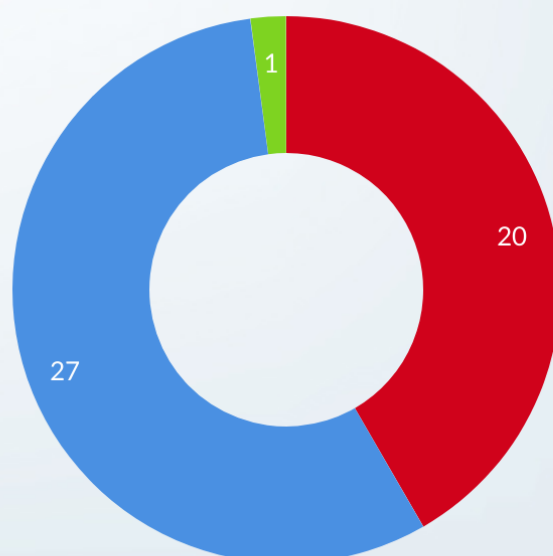
*2 Research Grants*  
are from **FRGS** grant.



*39 Number of PI*  
from 60 academic staff.



■ Internal Grants (72.92%)  
■ External Grants (27.08%)



■ 2019 (41.67%) ■ 2018 (56.25%)  
■ 2017 (2.08%)



# 2019 Publications

The internal determinants of bank profitability and stability an insight from banking sector of Pakistan.

Ali, M; Puah, CH  
Management Research Review.

The purpose of this study is to examine the internal determinants of bank profitability and stability in Pakistan banking sector. Because of specific research objectives, this study excludes the external factors of profitability and stability to find the role of bank internal determinants in achieving high performance. Regression analysis is built on a balanced panel data using 24 commercial banks over the sample period of 2007-2015. The authors performed a separate analysis of bank profitability and stability. Both models used a comprehensive set of bank internal determinants. The results that were obtained from profitability model indicated that bank size, credit risk, funding risk and stability have statistically significant impacts on profitability, while liquidity risk showed the statistically insignificant impact on profitability. Regression findings from stability model reveal that bank size, liquidity risk, funding risk and profitability have statistically significant impacts on stability, while credit risk had an insignificant effect on stability. However, the effect of the financial crisis is uniform and showed statistically insignificant impact in both models. Overall, the authors' findings bring some new but useful insights to the banking literature. Some recommendations may be functional for the sustainable performance of banks. In view of study results, the authors provide interesting insights into the practices and characteristics of banks in Pakistan. This study also highlights significant bank internal determinants to improve understanding in the existing literature.

Energy subsidy and oil price fluctuation, and price behavior in Malaysia: A time series analysis.

Husaini D.H., Puah C.-H., Lean H.H.  
Energy,

Balancing between favorable energy subsidy and the financial burden of government is crucial for policymakers. This article intends to advance this thinking by informing policymakers about how price reacts to changes in the international oil price and energy subsidy program. Hence, it is essential to investigate the empirical evidence concerning the relationship between the international oil price and energy subsidy, and price behavior. This study used time series data covering the period 1981–2015 to explore the price behavior on energy subsidy rationalization and oil price fluctuation in Malaysia. To prepare concrete empirical evidence, we employed the autoregressive distribution lag (ARDL) approach to capture the long-run dynamic behavior. Our findings indicated that both factors, oil price and energy subsidy, are significant in influencing the pattern of price behavior. The PPI (Producer Price Index) was more sensitive to changes in the oil price than the CPI (Consumer Price Index). The PPI was found to be affected more while the CPI was less affected. We call on policymakers to provide the Malaysian economic system with a productive social safety net to offset the negative impact caused by energy subsidy reform.

## How Do Students Evaluate Instructors' Performance? Implication of Teaching Abilities, Physical Attractiveness and Psychological Factors.

Tan S., Lau E., Ting H., Cheah J.-H., Simonetti B., Hiok Lip T.  
Social Indicators Research.

One instrument regularly seen as a basic resource in assessing pedagogical knowledge and vivid learning in different circumstances is through the method of conducting student assessment appraisal of their instructors. Nevertheless, deciding the nature of instructional abilities requires as rationale and unbiased judgments. The concern is that there are no formal techniques or formulas that would prompt accurate responses from the students. In spite of the contention surrounding students' rating on instructors, this study aims to investigate how university students in Malaysia would evaluate instructors based on noninstructional factors, such as physical attractiveness and psychological factors, which in turn may affect students' perceptions towards instructors' performance. PLS-SEM was appropriated to perform the path modeling analysis. Practical implication is discussed.

## Exchange Rates, Monetary Aggregates, Industrial Production and Shock Adjustments In Malaysia After The Capital Control.

Chan, TH; Puah, CH; Wong, SSL  
International Journal of Business and Society.

Malaysia imposed capital control and fixed exchange rate during 1999-2005 due to Asia financial crisis 1997/98. The capital control was liberalized and the pegged ringgit was lifted in July 2005. This study examines the dynamic relationship among macroeconomic stability and industrial performance in the postcapital control era with de-pegged regime. Macro variables such as industrial production (Y), exchange rate (RM/USD), monetary aggregates (M3) and interest rate (R) were being analyzed. The long- and short-run relationships were discovered among the variables at different signs and magnitudes. By VECM specification, the production function was bearing most of the short-run adjustments towards the long-run equilibrium but the adjustments were slow (> 6 years), in respond to shocks in the system. The impulse response function and variance decomposition analyses reveal that changes in macroeconomic variables have led to similar patterns of behavior with significant effects differing mainly in terms of shock adjustment. Dynamic causal effects were also being detected among the variables to justify the export ledgrowth strategy, but the monetary effects were less prominent. In brief, monitoring the macro stability and foreign exchange shocks are essential in sustaining the industrial performance of Malaysia.

## Validating A Measure for Altruistic Self Towards the Responsible Plate Food Consumption: A Mix Method Approach.

Rasool, S; Shakur, MMA; Mughal, YH; Awang, Z.  
International Journal of Business and Society.

This study intends to establish the measurement model for altruistic self-concept for plate food consumption in social marketing. The findings from earlier studies do not really suit the altruistic self-concept scale, especially in the context of socially responsible plate food consumption. Hence, this study validated the instruments of altruistic self-concept. Using the mix method pragmatism pluralism approach using 1536 respondents for quantitative study and 11 intensive interviews for qualitative study. The data were collected using self-administered questionnaire. The respondents were selected randomly using stratified sampling technique. The exploratory factor analysis procedure retained five from the total of ten items developed.



The confirmatory factor analysis (CFA) procedure using IBM-SPSS-AMOS confirmed the five measuring items for altruistic self in the context of socially responsible plate food consumption. The study employed the qualitative study to verify the four subconstructs of altruistic self-concept namely, material, psychological, time and relationship. The novelty of this study lies on the measure of altruistic self-concept construct in the lenses of consumer behavior towards socially responsible plate food consumption. The study adapted scales and validated them by using the mix method pragmatism pluralism approach. Private and publish social marketing agencies may develop the consumer altruistic towards socially responsible plate food consumption.

Tourists' perspectives on hard and soft services toward rural tourism destination competitiveness: Community support as a moderator.

Lo M.-C., Chin C.H., Law F.-Y.  
Tourism and Hospitality Research.

Rural tourism is an integrated part in the services field, and this industry has long been recognized as a valuable tool for economic development in rural destinations. However, the multiplying growth of rural tourism destinations has led to a stiff competition among the industry. Thus, the identification of tourists' perspective on the hard and soft services components toward the development of rural tourism is a key element in surviving into the rapid tourism competition. The pivotal role of community support as an integral part of tourism product in ensuring sustainable development of rural tourism destination would also being the key indicator for the development of rural tourism. Hence, this study highlighted the importance of tourists' perspective on hard services (tourism infrastructure and accommodation) and soft services (range of activities and special events) toward the competitiveness of rural tourism destination's development with community support who act as a moderator. A total of 314 respondents comprising tourists who visited Kampung Semadang, Kampung Telaga Air, and Kubah National Park (Kampung Matang), Kuching, Sarawak has voluntarily participated in this study. To assess the developed model, SmartPLS 2.0 (M3) is applied based on path modeling and bootstrapping. Interestingly, the findings revealed that tourists are more concerned about the quality of accommodation, infrastructure, range of activities, and special events for the development of tourism destination competitiveness in rural tourism destination. In addition, tourists also believed that the existence of community support is crucial in moderating the relationship between accommodation quality and tourism destination competitiveness. This study further discussed on the implications of the findings, limitations, and directions for future research.

The Impact of Business Cycle On Pakistani Banks Capital Buffer And Portfolio Risk

S Riaz, VK Liew, R Ab Rahim.  
Romanian Journal of Economic Forecasting.

This study attempts to estimate the impact of business cycle on Pakistani banks capital buffer and portfolio risk. Dynamic Panel data model, which includes a set of control variables reflect bank characteristics, has been estimated by using two-step Generalized Method of Moments (GMM) during the period of 2004-2014. The main results exhibit that bank capital buffer fluctuates counter-cyclically but business cycle fluctuations have no significant impact on portfolio risk. The main results support to Basel III accord that capital conservation buffer and counter-cyclical capital buffer are essential for banking institutions to help the economy. This study departs from existing literature because it focuses on developing country in assessment of behavior of capital buffer in a cyclical manner. The study contribute to the existing literature by revealing that counter-cyclical fluctuation of capital buffer may be due to shortsightedness of banks or low loan demand during downturns. This study will help policy makers to make and implement viable decisions on the optimal capital buffers and policy maker will seize an opportunity to devise strategies to ensure that banks have a sufficient buffer built up at all times to help protect the banks, their depositors and the economy at large

## **Does board capital affect the corporate financial distress level? A study from Malaysia**

**Brahmana R., Ung L.-J., Kiu J.-S.**  
**Journal of Social Sciences**

This study examined the relationship between board capital and the financial distress level for a sample of listed banks in Malaysia from 2003 to 2013. Using robust panel regression with 88 pooled firm-year observations, we found that board capital and leverage are statistically significant with banking financial distress in Malaysia. The results imply that the knowledge of directors such as experience, education, and networking can improve the firm's management and avoid the firm facing a financial distress problem. Lastly, this study provides useful information to assist shareholders in choosing board directors regarding reducing the risk of financial distress.

## **Capital Structure and Firm Performance: Evidence From Food Processing Industry in Malaysia**

**Sahari S., Tinggi M. and Abdul Rahim N.**  
**The Journal of Social Sciences Research**

Despite numerous debates on the relationship between the capital structure and the firm performance, there is still lack of study focusing on the food processing industry, which is considered a nation contributor towards the economic growth especially in developing countries. Therefore, this study attempt to obtain empirical findings on the relationship between the capital structure and the firm performance among the food-producing firms in Malaysia for the year 2007 to 2016. The panel data analysis in this study has found that all variables in this study have a significant relationship towards firm performance. This study could contribute in such a way to fill the gap in the literature with regard to the study on capital structure and performance by highlighting such issue to the processing firm in Malaysia.

## **Construct Validation of Organizational Citizenship Behaviour in an Asian Context: An Evidence among Academicians in Private Universities in Pakistan**

**Asif Ayub Kiyani, Kartinah Ayyup, and Shahid Raso.**  
**Journal of Social Sciences & Humanities**

The objectives of the research study were to explore the factorial structure and to establish validities of organizational citizenship behaviour among academicians' working in private universities in Pakistan. Purposive sampling and quota sampling were used for allocating samples of 347 academicians to 21 private universities in the Punjab/ Islamabad Capital Territory of Pakistan. Organizational citizenship behaviour consisted of seven items and after exploratory factor analysis all items loaded strongly on one component and were labelled as "Organizational Citizenship Behaviour". The instrument of organizational citizenship behaviour was validated in the Pakistan's context. The one factor solution for the organizational citizenship behaviour construct was also confirmed through PLS (SEM). This study is unique in validating empirically the instruments of Organizational citizenship behaviour in Pakistan's (Asian) context among academicians in private higher education industry. Moreover, because of validated factorial validities of organizational citizenship behaviour researcher can academically differentiate between the factor structure of task performance and organizational citizenship behaviour among academicians in private higher education industry in Pakistan, instead of mixing up the theoretical domain of two different constructs as a single construct.



## **Stakeholders' Expectations on Human Capital Disclosure vs. Corporate Reporting Practice in Malaysia**

S Sahari, EO Nichol, SM Yusof.  
International Business Research

Corporate disclosure of human capital has received growing research attention in different countries and markets. While past studies have explored the antecedent and implications of reporting human capital, studies on how far those disclosure practices actually meet the stakeholders' expectations are still lacking. Hence, this study attempts to apply the stakeholder theory to frame the human capital reporting practices by the corporations in Malaysia. The methodology of this study is twofold; firstly, to develop human capital reporting measurement items as per the stakeholders' expectation and their perceived importance of those items through a Delphi technique, and secondly, to determine the extent of human capital disclosure practices through a content analysis of the annual reports. The findings indicate that despite stakeholders' high perceived importance on human capital disclosures, the corporate reporting practices are still at an inferior stage. This study contributes in such a way to fill the gap in the literature by exploring the current extent of human capital reporting by the listed corporations in Malaysia and how far such disclosure met the stakeholders' expectations. This study also highlights the significance of the stakeholders' voice and participation as one of the main drivers towards sustainability reporting.

## **Board Characteristics and Firm Performance: Malaysia's Government Linked Companies (GLCS) Compliance to Green Book.**

N Abd Rahman, MWM Razali  
International Journal of Academic Research in Business and Social Science.

The Government-Linked Companies Transformation (GLCT) Programme was introduced in 2005 as the Malaysia Government efforts to improve the performance of government-linked companies (GLCs) under its control. One of the main policy thrusts in this framework is the need to upgrade the effectiveness of GLCs boards which led to the launching of the Green Book on April 2006. Focusing on the Green Book structuring high performing board guidelines, this study tries to examine whether compliance to its recommended board characteristics of size, independence and remuneration has any effect on GLCs performance. Thus, GLCs financial performance for three years before (2004, 2005 and 2006) and three years after (2007, 2008 and 2009) the guidelines became mandatory effective on 1 January 2007 are analysed and compared. The results show that the Green Book is a successful tool to increase board effectiveness in its monitoring function. However, compliance to board characteristics of size, independence and remuneration do not affect GLCs performance. Thus, it can be concluded that the influence of the Green Book as corporate governance factor is insufficient to explain the variations in GLCs performance.

## **Directors' Remuneration and Corporate Social Responsibility: A Study on Malaysian Listed Firms**

MWM Razali, HJ Ying, J Lunyai, NA Rahman  
Accounting and Finance Research.

The main objective of this paper is to examine the relationship between directors' remuneration and Corporate Social Responsibility (CSR) for listed firms in Malaysia. All financial data such as firm size, performance and leverage can be collected from Thomson Reuters DataStream while directors' remuneration and CSR disclosures were collected from annual reports. 377 samples of listed firms on Bursa Malaysia were collected from year 2014 to 2016. The results of this study show that increase director' remuneration motivates the directors to perform higher CSR. The CSR practices should benefit people and firms. Therefore, more benefits gained by public and firms from CSR should not be compensated with low directors' remuneration. The results

also show that firm size and leverage have positive relationship with CSR. This study can be extended using other measurements of CSR such as Global Reporting Initiative (GRI), human rights and environmental reporting which could give new insights on the relationship between CSR and directors' remuneration.

#### **Corruption and Foreign Direct Investment (FDI) in ASEAN-5: A Panel Evidence**

BA Karim, ZA Karim, MN Nasharuddin  
Economics and Finance in Indonesia.

This paper examines the effects of corruption on the inflow of FDI in ASEAN-5 countries by controlling two macroeconomic variables namely Gross Domestic Product (GDP) and inflation. Using a static panel data estimation, the results show the significant relationship between corruption and Gross Domestic Product (GDP) on the inflow of FDI in ASEAN-5. This result indicate that less corrupted countries and larger market size would attract more FDI inflows. The policy implications from this study suggests that ASEAN-5 governments need to have concerted and continues efforts in improving the integrity and credibility of their administration and transactions. In addition, maintaining their sustainable of economic growth is also crucial as a full factor in attracting more FDI inflows in future.

#### **Analysis of Corporate Governance and Firm Performance: Evidence from Malaysian Listed Companies**

S Jakpar, M Tinggi, A Johari, KT Myint  
International Journal of Business and Social Science.

There are a large number of studies examines the relationship of the corporate governance and the corporate performance. The different board structure and characteristics in corporate governance help a corporation to improve their performance and sales. This paper is to analyses the relationship between board characteristics and firm performance in Malaysia listed companies. Board characteristics were measured by the proportion of independent directors, board size, and the proportion of non-executive board members. The measurement used to measure the firm performance is the return on assets (ROA). All the data used in the study were collected from the 30 listed companies under Bursa Malaysia (KLSE) and Thomson Reuters Data Stream system from the period 2011to2015. The methods used for the empirical analysis include Pearson Correlation Coefficient, Panel Regression Analysis (Fixed Effect& Random Effect), OLS Model, Breusch and Pagan Lagrangian Multiplier (LM), Hausman Test, Specification Test and Diagnostic Test (Multi-collinearity, Heteroscedasticity and Serial Correlation). The results show that there is negative relationship between board characteristics and firm performance and none of the relationship is significant relationship with firm's performance.

#### **Managing Risk Integration for Performance Orientation among Malaysian Firms**

M Tinggi, S Jakpar, NK Hui  
International Business Research.

The study is potentially, to explore the effect of discounting for risk on performance of firms listed in Malaysian stocks' market. Risk management has been part of the corporate philosophy in maximizing shareholders' wealth and firms' profit. Managing risk cannot be done in isolation. Too often common risks pertinent to operation, liquidity and financing may be taken for granted by many firms. Risks exist on stand alone, but its implication may negatively severe firms' performance if not addressed or dealt with properly. Integrating and managing risks may potentially improve the quality of business processes, which may orientate towards attaining firms' performance at the corporate level. The 2007 global financial crisis has incidentally highlighted the importance of integrating and managing risk and its effect on business. Empirical evidences from the Panel Random Effect (RE) analysis of the above companies



showed that the firm's ability to manage and integrate operating, liquidity, and financial risks steer the firms towards performance orientation.

#### The Contribution of Various Sectors in West Malaysia to the Economic Growth: An Input-Output Analysis.

Hassan, M. K. H., Noor, Z. M., Ismail, N. W., Radam, A., and Rashid, Z. A.  
International Journal of Academic Research in Business and Social Science.

By using the regional input-output approach, this paper attempts to analyse the contribution of the various sectors in West Malaysia to economic growth as well as the regional development planning. Our linkage effects strongly suggest that there is a strong argument to believe that a further developed West Malaysia with greater facilities and investment for the petroleum products; other manufacturing; and wholesale and retail trade sectors will make it an increasingly sources of growth in the West Malaysia. Moreover, the empirical results also reveal that petroleum products; electronics and non-electronics; motor vehicles and other transport; and other manufacturing; were among the sectors with high multiplier values in West Malaysia compared to other sectors.

#### Interactions among Factors Affecting Micro Entrepreneur Performance in Sarawak, Malaysia

Sabli, H. M., & Latiff, H. A.  
International Journal of Academic Research in Business and Social Science.

Micro enterprise plays important role in achieving Malaysia's Vision 2020. Micro enterprises constitute about 76.5% of all businesses in Malaysia and employ over 1.2 million employees. In this regard, out of the total 907,065 Malaysian SMEs, 693,670 (78.7%) business foundations have been identified as micro enterprises (MEs) (Department of Statistics Malaysia, 2016). Hence, this paper analyses the factors affect the micro-entrepreneur's firm performance in Sarawak Malaysia. The research is based on 373 sample respondents from all over Sarawak with non-probability sampling and structured questionnaire had been used to collect response from the respondents. In terms of gender, female (67.8%) respondents clearly outnumbered the male (32.2%) respondents. AIM only offered loans to female micro entrepreneur while TEKUN and SEDC offered loans to both genders. The highest group of the micro entrepreneurs sampled in the present study, namely, more than one third (39.8%), fell into the age group of 26 to 36. The lowest age group was 59 to 69 (5%). The respondents in this research were mostly micro entrepreneurs with more than two-thirds were educated up to secondary level MCE/SPM/SPMV (38%) and lower secondary level LCE/SRP/PMR (27%). Not even a quarter of the respondents were educated up to post-secondary and tertiary level education. Nevertheless, there were also a small number of them who had postgraduate qualifications, namely, Master's degree (0.5%) and Ph.D. (0.3%). The survey findings further revealed that the two identified factors (age and financial management knowledge) are significantly associated with micro entrepreneur compare to education level. The outcomes of this research can benefit the decision makers such as governments, microfinance institutions and other related institutions to support micro entrepreneur not only for poverty provision but also successful in firm performance.

#### Malaysian Listed Firm's Tax Avoidance: Another Earnings Management Strategy?

Razali, M. W. M., Yi, P. X., Brahmana, R. K., & Tak, A. H.  
International Journal of Academic Research in Business and Social Science.

This study examines the role of tax avoidance on firm's earnings management for a sample of 149 listed public firms in Malaysia over 2009 – 2013. Beneish M-score is used to measure the earnings management and effective tax rate to measure the tax avoidance. After controlling

firm size, growth, leverage and profitability, the result shows that only two variables which tax avoidance and growth are positively significant towards the earnings management. The result implies that firms may manage their earning to enjoy tax advantages. Moreover, management in growth firms tend engages better earnings performance and thus it may affect the firm investment strategies.

#### Market Competition, Managerial Incentives and Agency Cost

Brahmana R.K., Loh H.S., Kontesa M.  
Global Business Review.

This study investigates the determinants of board of director compensation from the view of strategic management. Specifically, this study examines the association between product market competition and directors' compensation for a sample of 524 listed firms in Malaysia from 2010 to 2014. We find that there is a positive relationship between a competitive firm and its compensation to its directors. Our research indicates that managerial incentives reflect more of talent appreciation, rather than purely for acknowledging better performance or a bigger size firm. This research contests the use of agency theory and managerialism in explaining directors' compensation, especially for the developing country context of Malaysia. Our findings also imply that firms may pay higher compensation in a competitive market.

#### Exploring the role of risk and corruption on bank stability: evidence from Pakistan

Ali M., Sohail A., Khan L., Puah C.H.  
Journal of Money Laundering Control.

**Purpose** This paper aims to explore the impact of liquidity risk, credit risk, funding risk and corruption on bank stability of the banking system in Pakistan. **Design/methodology/approach** The empirical analysis is confined to 24 retail banks, which include 5 Islamic and 19 conventional banks during the period of 2007-2015. **Findings** The findings of this study suggest that bank size, liquidity risk, funding risk and corruption exert a positive impact on bank stability. Additionally, the authors find a negative relationship between credit risk and bank stability. **Originality/value** As per the knowledge of the authors, the present research is the first attempt that discusses the issues of bank stability related to risk and corruption faced by the banking system.

#### The new Keynesian tradeoff between output and inflation: Time series based evidence from Russia

CH Puah, CY Sim, MY Chin, MA Arip  
Business and Economic Horizons.

As oil exports remain the main source of income for the Russian economy, the ongoing plunging of global oil prices is causing severe adverse supply shock and cost-push inflation in the country. The recent attempts at stabilisation policies by the policymakers have not been very successful in stabilising both national output and inflation. This has brought about concern over the relevance of policymaker interventions in the Russian economy. We investigate this matter by applying Asai's (1999) model. Our empirical results indicated that the trade-off between output and inflation in the short run in Russia is inversely associated with the mean rate of inflation, which supports the new Keynesian view. As such, stabilisation policies, particularly monetary policies adopted by policymakers, are extremely crucial in moderating the short-run trade-off between output and inflation with respect to the recent financial crisis.



## **Determinants of Current Account Balance in Six ASEAN Countries: A Panel Analysis Approach**

**SX Lin, J Kueh**

**International Journal of Economics and Finance.**

This paper aims to examine the potential determinants of current account balance, which has been an interesting research topic in analysis over the decade. The relationship between current account balance and several different variables, such as fiscal balance, public debt, real GDP, and age dependency ratio for old and young, are examined. In this paper, the selected time period is from 1990 to 2016, in order to include the financial crisis period in six ASEAN countries (Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam). To this end, the research is based on the estimation of panel unit root, panel cointegration, panel Vector Error-Correction Model (VECM) and panel Granger causality. The findings show that all variables are cointegrated in the long-run and there are also unidirectional and bidirectional causal relationships in the short-run.

## **Profitability of Broiler Contract Farming: A Case Study in Johor And Sabah**

**M Isa, A Hassan, MM Ismail, NS Samsuddin**

**International Journal of Business and Society.**

The study evaluated the profitability of small scale broiler production in Sabah and Johor with emphasis on contract farming. Cost benefit analysis and financial appraisal were carried out and the net return, value of input and output indicated broiler contract farming in Johor was more viable and profitable compared to Sabah. There were two obstacles limiting sustainable broiler contract farming in Sabah: 1) higher feed cost, and 2) low profit due to low gross margin between production cost and the ex-farm selling price. Therefore, in this study, the financial performance was evaluated, and sensitivity analysis was performed to assess the effect of changes in feed cost and selling price. The results concluded that Sabah broiler contract farming was more sensitive to changes in feed cost and selling price while the implementation of a zero-tax incentive to small scale broiler contract farmers especially in Sabah would help the industry remained sustainable.

## **Industrial Development, Subsidy Reform and Export Behaviour: An Evidence from ASEAN-5 Economies**

**Husaini, D.H., Mansor, S.A., Karim, B.K., ChinHong Puah, Jerome Kueh, Evan Lau,**

**Int. Journal of Economics and Management.**

This study explores the impact of subsidy reform on export performance in ASEAN-5 economies, whereby the output of this research may be useful for the policymakers to balance favourable subsidy reform upon sustainable economic development while controlling fiscal burden. The objective of this study is to explore the impact of subsidy reform on export growth while considering an exchange rate and the industrial value added as a control variable. This study covers a panel data of ASEAN-5 economies from the 1992 to 2015. The dynamic panel data analysis was employed to evaluate the magnitude impact of subsidy expenditure by the government, exchange rate and industrial value added on export performance. The Pooled Mean Group (PMG) model was employed to determine the long run coefficient in the model. The finding concluded that: 1) Export growth was expected to increase as the subsidy growth increases, 2) currency appreciation was expected to encourage export growth and 3) Industrial development would increase export growth as many outputs can be produced in a period of time. As an absence of subsidy would lead to a lost in export, and the government is recommended to implement an adequate offset policy to cushion any negative impact reflected by the absence of a subsidy in an economy.

## **The Moderating Role of Group Lending on the Relationship between Microfinance and Poverty in Pakistan**

Ab-Rahim, R., & Shah, S.-U.-M.

This paper aims to investigate the moderating effect of group lending on the relationship between poverty and non-governmental (NGO) microfinance in Northern Pakistan, Khyber Pukhtun Khawa. Quantitative primary data is collected from 297 borrowers of NGOs microfinance. The partial least squares structural equation modelling moderating role of group lending between the microfinance and poverty is estimated through structural equation model and for the purpose of calculation Smart PLS is used. The results show that the group lending has significant impact on relationship between poverty and microfinance and played a major role in mitigating moral hazard among the respondents. The finding suggests that the group lending approach should be adopted in the loan distribution especially in rural areas.

## **Determinants of Export Performance in ASEAN Region: Panel Data Analysis**

Oo, T., Jerome Kueh & Hla, D.H.  
International Business Research.

International trade is one of the major aspects that grow tremendously in Southeast Asia and export is regarded as main accelerators of growth in either developed or developing countries. The objective of this study is to determine the determinants of export performance for ASEAN countries. In this study, panel Autoregressive Distributed Lag (ARDL) method is adopted for time period between 2000 to 2015. Empirical findings indicate that there is a long-run relationship between determinants of export such as interest rate, economic growth and foreign direct investment with export performance of ASEAN countries. Therefore, policy makers need to strategize their policies to move towards closer cooperation among the ASEAN countries, especially promoting sustainable exportation in the region.

## **Market Structure and Efficiency of QISMUT Banking Sector**

NS Mortadza, R Ab-Rahim, A Dee  
International Journal of Academic Research in Business and Social Science.

The aim of this study is to assess the market structure and efficiency of QISMUT (Qatar, Indonesia, Saudi Arabia, Malaysia, United Arab Emirates and Turkey) banking market over the study period of 2006 to 2016. Concentration ratio and Herfindahl-Hirshman Index are used to measure market structure while efficiency is measured using Data Envelopment Analysis (DEA). The results show conventional banks in QISMUT are more concentrated than its counterpart, the Islamic banks. However, Islamic banks are found to be more efficient than the conventional banks. Keywords: Market Structure, Efficiency, QISMUT, Banking Market.

## **Consumer acceptance toward takaful in Pakistan: An application of diffusion of innovation theory**

Ali M., Raza S.A., Puah C.H., Amin H.  
International Journal of Emerging Markets.

Purpose – The purpose of this paper is to determine the factors influencing customer adoption toward takaful products in Pakistan. Design/methodology/approach – The study used five attributes of diffusion innovation theory (DOI), namely, relative advantage, compatibility, trialability, observability and complexity. Furthermore, the authors introduced two additional constructs, namely, consumer awareness and religiosity to analyze the adoption behavior of customers. A total of 365 questionnaires were distributed among the participants of the study. The survey was conducted in the Karachi city where the respondents were the existing and potential users of takaful products. The theoretical

model of DOI theory was tested using structural equation modeling. Findings – The findings report that complexity has a negative impact on the adoption of takaful, whereas relative advantage, compatibility, trialability, observability, religiosity and consumer awareness shows a positive and significant influence. Originality/value – It is a noteworthy point that past literature is quite limited to investigate the determinants of consumer intentions to adopt takaful products. Based on this argument, the authors build the study to provide a scope and coverage in the field of Islamic insurance. The authors also expect that the research will encourage and provide a venue for forthcoming studies to help policy makers and academicians in this emerging business.

#### Councils' Environment Management System: An Isomorphism Inquiry

C Joseph, EO Nichol, L Jonathan  
Management of Environmental Quality.

**Purpose** The purpose of this paper is to understand how external and internal drivers influence the implementation of the environment management system by selected local councils in Malaysia from the institutional theory and national culture perspectives.

**Design/methodology/approach** This research used a multiple case study approach focusing on three selected Malaysian local councils. The data collection method included semi-structured interviews with officers directly involved in the environment management system implementation.

**Findings** Organizations are more influenced by external rather than internal drivers in implementing the environment management system and dominated by the normative pressure. This study offers insights into the effectiveness of the identified drivers in the environment management system implementation process, by relating to the type of conformance, either by “compliance” or “convergence.” **Research limitations/implications** This study demonstrates the effect of national culture on the isomorphic influences of the internal and external motivations by local councils to implement the environment management system, namely, large power distance, collectivism, short-term normative orientation, masculinity and uncertainty avoidance.

**Practical implications** The outcomes can be useful to managers of local councils with responsibilities for environmental decision making.

**Originality/value** Institutional theory and national culture values are used successfully to explain the implementation of the environment management system in the three selected Malaysian councils in this study, in line with the public sector reform agenda undertaken by the Malaysian Government.

#### Does ownership structure affect dividend decisions? Evidence from Indonesia's banking industry

Setiawan D., Aryani A., Yuniarti S., Brahmana R.K.  
International Journal of Business.

This research aims at examining the effect of ownership structure on dividend decisions in the context of Indonesia's banking industry. The results of the study show that controlling ownerships have a negative effect on dividend payouts. Controlling ownerships in Indonesia's banking industry prefer to pay less dividends to the shareholders. Further, the nonmonotonic test also shows negative effects of controlling

ownerships on the dividend payouts. The study divide ownership into three categories: family owned bank, government-owned bank, and foreign-owned bank. Government owned banks and foreign-owned banks have negative effects on the dividends. However, family ownership positively affects dividend payouts. Family owned banks pay more dividends to the shareholders. The results show that family owned banks align their interests with those of the shareholders.



## The relationship between foreign aid and corruption: a case of selected Asian countries

Ali M., Khan L., Sohail A., Puah C.H.  
Journal of Financial Crime.

**Purpose** The purpose of this study is to examine the effect of foreign aid (FA) on corruption in selected Asian countries (Pakistan, India, Srilanka and Bangladesh) using the panel data from 2000 to 2014.

**Design/methodology/approach** The author used Levin-Lin-Chu and Im-PesaranShin panel unit root tests to check the stationary properties of the variables. The Pedroni's and Kao panel cointegration approach was applied to analyze the variable's long-run relationship. The author used panel dynamic ordinary least squares (PDOLS) and fully modified ordinary least squares (FMOLS) framework to estimate the coefficients of cointegrating vectors. Additionally, the panel granger causality test was performed to check the causal relationship between the variables.

**Findings** The results from PDOLS and FMOLS indicate that FA has a significant negative impact on the level of corruption. This infers that the foreign assistance decrease the level of corruption perception index, hence, more corruption in the country.

**Originality/value** Overall, the study fulfills the need to understand the aid-corruption nexus, particularly in the case of the Asian region.

## Does Zakat Significantly Impact on Economic Growth in Selangor, Malaysia?

Mohamed, A. S., Ibrahim, A. A., Zaidi, N. S. B., & Kamaruzaman, M. N.  
International Journal of Academic Research in Business and Social Science.

Zakat is an instrumented fund that is so dynamic that it is recognized as an economic instrument that can reduce the incidence of poverty is also the heart of the Islamic economy. The main objective of this research is to comparative relationship contribution of the collection of zakat and gross domestic product to the unemployment rate and poverty in Selangor. To conduct the research, the data from the year 2012 to 2016 were collected, consisting of 2 dependents variable which is poverty and unemployment rate and 2 independents variable is a collection of zakat and gross domestic product. Based on the results, there are significant relations between zakat, gross domestic product to poverty in Selangor which is measured using ordinary least square. While the decision is otherwise for the unemployment rate there is a negative significant relationship to the collection of zakat and gross domestic product. Meanwhile, the correlation analysis is a statistically significant relationship between gross domestic product and zakat perfect negative relationship exists. This indicates that a higher collection of zakat and gross domestic product induces alleviating poverty. In the meantime, the correlation analysis is not a statistically significant relationship between gross domestic product and zakat to the unemployment rate and perfect positive relationship exists. This shown dependent variable does not give effect to decrease the unemployment rate in Selangor. Furthermore, this study is achieving the objectives are given and it can implement along with other research and policymakers.

## Case Study in a Malaysian Public Agency on an Asset Management- Moving Towards the Accrual Basis of Accounting

SSS Ali, SCC Sheung, MWM Razali

As part of the strategic reform of Malaysian public services under the Government Transformation Program (GTP), accrual accounting is expected to be fully adopted in public sector financial reporting commencing on 1 January 2015, in order to ensure alignment with the global accounting standards. Consequently, in order to access the government effectiveness of moving towards the accrual basis of accounting, this study is to examine the asset management system in a Malaysian public agency; to evaluate the extent of compliance with MPSAS 17, Property, Plant and Equipment (PPE), IPSAS 6, Impairment of Cash Generating Assets and IPSAS 21, Impairment of Non-Cash Generating Asset,

Using qualitative approach, a preliminary study was conducted via interviews and through obtaining documents. The findings include the following: MPSAS17 has not been strictly adhered to and software is used to monitor the assets; however, the disposal of assets is a manual process and is not automated. The study also discussed any weaknesses pertaining to the said asset accounting system, and suggested recommendations for improvement thereon.

#### Technical Efficiency Analysis of Terubok Fisheries In Malaysia

Ashraf-Roszopor, M., DayangAffizzah, A. M., Abdullah, A. M., Latif, I. L., Nor Afiza, A. B

Terubok fish is an estuarine fish that is significant among local fishermen because of high commercial value and it also constitutes to source of income for Terubok fishermen during its catching season. Therefore, due to high commercial value, Terubok fish has been subject to overfished and the population has been declining throughout the years. This study is carried out to analyse the efficiency performance of Terubok fisheries in Malaysia. A sample of actively Terubok fishermen was selected through stratified random sampling and the field survey has conducted at three different places in Sarawak. Data Envelopment Analysis (DEA) and Tobit Analysis were employed to determine the technical efficiency level and factors influencing technical efficiency among Terubok fishermen. The results of the study show that, most fishing units exhibit a low level of technical efficiency. This implies that either fishing inputs were used inefficiently, or insufficient inputs were used in fishing operations. The mean technical efficiency of the sample was estimated to be 0.304 using CRS Model, 0.406 using VRS Model and Scale Efficiency is 0.805. The determinant factors of efficiency among Terubok fishermen was among all, hours in a day, days spent in fishing per month, engine horsepower and fisherman association show positive sign towards efficiency contradictorily other determinant such as age, education, distance and length of vessels possess negative sign towards efficiency. These findings suggest that there's urgent need to the efficiency level of the fishermen as this will indicate the impact of their living standard. With appropriate training and using more advanced technologies by the fishermen, the level of technical efficiency can be raised, segmented for inshore fisheries.

#### Sustainable Fisheries Adaptation of Terubok Coastal Area In Sarawak

DAA Marikan, S Edman, AM Abdullah  
Journal of Public Administration and Governance.

Sustainable ways of fishing have been applied worldwide as the population of fish is decreasing due to heavy fishing and overexploitation. The famous fish in Sarawak, Tropical shad *Tenualosa* which locally known as ikan terubok (Terubok fish) is also experiencing a major decline in its population. Therefore, the goal of this study is to investigate the most preferable ways to increase the number of Terubok population in Sarawak. This study reveals that, the regulation factor is the most preferable ways in increasing the number of Terubok population followed by conservation and economics factor. Besides, the willingness to accept (WTA) estimation by using Contingent Valuation Method (CVM) shows that the average amount of compensation that will be given to the Terubok fisherman to conserve the Terubok populations is RM 301.08.

## **Transition to Low Carbon Economy through Carbon Dioxide Emission Reduction in Power Generation Sector in Malaysia**

A Liwan, MKH Hassan, JKS Hui, R Hamdan

International Journal of Academic Research in Business and Social Science.

The economy growth is always the attention focal point to all country. However, the economy growth impacts the protecting environment and vice-versa. The contradiction between the environment and the development of economy are getting more serious. The low carbon economy should be one of the future choices for sustainable development. This study attempts to examine the reduction of carbon dioxide (CO<sub>2</sub>) emission through different scenarios of economic growth and renewable energy mixed. There are three scenarios developed, namely Business-As-Usual (BAU), Ambitious 1 (AMB 1) and Ambitious 2 (AMB 2). Scenario analysis method and Long-range Energy Alternatives Planning System (LEAP) model were employed in this study. The results show AMB 1 was the most ideal scenario to strike the balance between economic development and environmental sustainability. It is recommended that power generation sector should opt for more renewable energy such as biomass, solar pv and small hydropower. In addition, integration between government agency, suppliers' and consumers' were needed to achieve Malaysia's commitment to reduce carbon emission.

## **Relationship between Stock Market Volatility, Stock Market Liquidity and Financial Performance of Non-Financial Firms Listed on Pakistan Stock Exchange**

Q Saleem, S Sulong, AH bin Md Isa

International Journal of Academic Research in Business and Social Science.

This paper analyzed the empirical relationship between different measures of stock market volatility, traded volume, market and accounting measures of financial performance of 260 firms panel data listed on Pakistan Stock Exchange using Generalized Autoregressive Conditional heteroskedasticity (GARCH) and Generalized moments methods (GMM). The study found that financial performance has significant positive relation with traded volume and significant negative relationship with stock market volatility both in two measures. The study used both microeconomic and macroeconomic measures to calculate stock market volatility and both measures have significant effects on financial performance.

## **Dividend Payout and Bonds Risk in Listed Companies from Malaysia**

SS Balia, O Khan, MAB Zaidel

International Journal of Academic Research in Business and Social Science.

The study aims to examine the effect of dividend payout on distance to default of bonds issued by non-financial firms listed on Bursa Malaysia. For this purpose, the data is collected of 298 nonfinancial firms over the period 2006-2015. This paper focus on whether Dividend payout (hereafter abbreviate as DPO) is effect on distance to default (hereafter abbreviate as DtD). This study followed the Bharath and Shumway (2008) DtD mixtures model and combining both accounting and marketbased evidence to unravel the Malaysian corporate bonds DtD quality. The results indicated that an increase in dividend payout would results an increase in distance to default (DtD). Further indication on the determinants of DtD is found to be strong to various sensitivity examinations with different trials of variable. Bonds are increasingly playing a more critical role in the private debt intermediation process and are becoming more interconnected with financial system and more significant role in the development of corporate bonds.



## Twin Deficits and Debts in 6 ASEAN Countries: A Panel Approach

Sx Lin, J Kueh

Journal of Academic Research In Business

In order to maintain the macroeconomic stability and sustainable economic growth, the current account deficit and fiscal deficit must be controlled. Besides, a country may encounter deficits that result in accumulation of debt during economic shock. This study aims to examine relationship between twin deficits and debts. The sample period is from 1990 to 2016 annually for 6 ASEAN countries. The methodology is pooled mean group (PMG) estimation. The finding shows that current account balance (CAB) and fiscal balance (FB) have positive significant relationship with the presence of debts.

## Exploring the Strategic Role of Brand Equity Towards Competitive Advantage in the Smartphone Industry

S Hashim, ELY Ying, S Ahmed

Asia-Pacific Social Science Review.

This study intends to explore the strategic role of brand equity towards competitive advantage from the customer's perspective in the context of the smartphone market in Kuching, a city located in Sarawak, Malaysia. Based on the two competitive advantage strategies (cost advantage and differentiation), this study aims to investigate the extent these two strategies affects brand equity prediction towards customer satisfaction. By employing convenience sampling, self-administered questionnaires were distributed among smartphone users. A total of 417 respondents were involved in the process. The data collected were further evaluated using the Statistical Package for Social Sciences (SPSS). Pearson's correlation analysis, multiple regression analysis, and independent sampled ttest were used to perform statistical analysis. The results revealed that elements of Brand Equity (brand awareness, brand associations, perceived quality, and brand loyalty) have a positive relationship with customer's satisfaction. There is also a significant difference between the two competitive advantage strategies, that is, cost advantage and differentiation. Results showed that when the elements of brand equity increase, customer satisfaction level also increases and the level of increment among two samples of study is different. This study contributes in a twofold manner. Brands can be effective tools for the organizations to gain their competitive advantage, but specific advantage and segment need specific brand treatment.

## Financial Development, Efficiency, and Competition of ASEAN Banking Market

VP Rao Subramaniam, R Ab-Rahim

Asia-Pacific Social Science Review

Theoretically, the financial sector fosters economic development of a nation. Weak institutions, poor contract enforcement, and macroeconomic instability are negatively correlated with an underdeveloped financial sector. The global trends have revived the need for the ASEAN to continue to work for further integration among member countries. ASEAN banks serve as the important intermediaries in increasing the connectivity among ASEAN members and supporting the financial integration in the region. The strong growth of ASEAN financial institutions is driven by the development of business fundamental and the increasing competitiveness of financial institutions in this region. Therefore, this study aims to examine the nexus between financial development, competition, and efficiency of ASEAN banks over the period 2011 to 2016. Using dataset of 78 banks across ASEAN countries, data envelopment analysis (DEA) is used to measure efficiency, Herfindahl Hirschman index to measure market concentration, and Lerner index to measure market power. The dynamic panel approach, namely the generalized method of moments (GMM), is employed to examine the nexus between financial development, competition, and efficiency of banks. The empirical results of nexus between financial development, competition, and efficiency indicate that competition is positively related to efficiency

(technical efficiency and pure technical efficiency). However, competition is negatively related to scale efficiency. The results also show that financial development is negatively related to efficiency (pure technical efficiency) and competition. Nevertheless, GDP is positively related to competition. The results of this study imply that development in the financial sector makes banks inefficient and underutilized resources as banks improve their market power. The results of this study imply that competition in the banking sector must be encouraged to foster efficiency.

## Identifying and Prioritizing Research Gaps in Studies related to Total Quality Management on Competitive Advantage in Malaysian Hotel Industries

KY Sin, MS Jusoh

International Journal of Academic Research in Business and Social Science.

Determining research gaps is a cardinal goal in literature review. While it has been diffusely conceded that literature reviews should determine research gaps, no methodological orientation is available on how to pinpoint research gaps amidst review of literature or to assure rigor and replicability. Hence, this study addresses this gap and puts forward a simple prototype that should assist scholars in this endeavour without suppressing creativity. Based on the study outcomes, a technique has been generated to identify research gaps, so as to enable scholars to conduct a more rigorous, effective, and efficient literature reviews henceforth.

## Controlling shareholders and the effect of diversification on firm value: evidence from Indonesian listed firms

Brahmana R.K., Setiawan D., Hooy C.W.

Journal of Asia Business Studies.

**Purpose** The purpose of this paper is to investigate whether the presence of controlling shareholder affects the value of diversification based on Indonesian listed firms. It further examines whether the degree of controlling ownership and the types of controlling ownership matter.

**Design/methodology/approach** Panel data were used over the period 2006-2010 with dynamic generalised method-of-moments estimations and it defined diversification as industrial diversification, international diversification or diversification in both. A few different thresholds for the control rights of the largest shareholder are also set.

**Findings** The results show that industrial diversification improves firm value but international diversification does not, while diversified in both strategies discounted firm value. The presence of a controlling shareholder is found to have a significant diversification discount, and the effect is nonlinear, where the entrenchment effect occurs around 20 to 60 per cent threshold of controlling across all types of diversified firms. Last, foreign firms are found to enjoy more value from industrial diversification, but it takes an adverse turn when these involve both diversification strategies. Government firms do not seem to be different from family firms.

**Research limitations/implications** The study shows the need to differentiate diversification strategies and account for nonlinearity and ownership identity in modelling diversification value. Also, the degree of shareholders' control can be a significant channel to address the agency issue on diversification value.

**Practical implications** Under the backdrop of unique Indonesian corporate ownership, the presence of controlling owners is shown, and their ownership affects the value of diversification. The entrenchment effect however appears only at a certain range of ownership. This is a crucial guide for the shareholders to ensure an appropriate monitoring system is installed to maximize the shareholder's value, especially in family firms.

**Originality/value** The value of this paper is twofold. At first, the first empirical evidence on the diversification debate with Indonesian firms for its unique institutional setting is presented. Second, the standard modelling framework to investigate the types of ownership on diversification value is extended, which has rarely been covered in previous investigations.

## Sustainable supply chain management of Malaysian small business: An accounting perspective

Marsidi A.

Small businesses are perceived as having essential impact to the economy and society particularly in the developing economies. In Malaysia, 98.5% or 907,065 business establishments are Small Medium Enterprises (SMEs) [1]. Nonetheless, it is not easy for the small businesses to sustain in the ups and downs of the economy as well as the increasing competitions from all types of small business such as micro, small and medium businesses. In fact, half of the start-ups Malaysian SMEs failed to continue their businesses during the first 5 years of operation [2]. The handy ways to enhance the sustainability of small businesses could be through providing some appropriate accounting and finance skills and knowledge to the business owners to assist them in managing all the business resources effectively and efficiently. As such, small businesses owners should be made aware of the importance of having at least the basic financial accounting system. With the existence of financial accounting system in the business, the small businesses have the potential to contribute more positive impact to not only the economy but also to the society both in the present and in the future.

## The Economic of Deterrence: A Wrong Policy or A Misplaced Strategy?

Lau E., Hamzah S.N.Z., Habibullah M.S.  
Jurnal Ekonomi Malaysia.

This paper investigates the impact of economics conditions and deterrence variables on disaggregated crime data in Sarawak, using yearly time-series data spanning more than 40 years using a vector error correction estimates. It is proven that economic variables studied serve as motivation of crime in Sarawak and imprisonment does not deter crime in the time period studied. It is evident that imprisonment in the case of Sarawak is less influential in deterring crime or the society were ill informed of the severity of punishment. While the study established a long-run relationship between economics and crime, it is also a noble approach in understanding deterrence in the context of Sarawak. Both economics and deterrence variables are important in explaining the decline in crime and in formulating efficient strategy and policies to combat crime. Government should shift the focus of increasing number of police force to increasing awareness on severity of punishments. At the same time, increasing opportunity for legal jobs would be important to deter crime.

## Export Performance in Cambodia, Laos, Myanmar And Vietnam (CLMV) Countries: Panel Data Analysis

Oo, T., Jerome Kueh, Hla, D.H., Aung, S.L.  
Journal of International Business and Economics

International trade is one of the major aspects that grow tremendously in Southeast Asia and export is regarded as main accelerators of growth in either developed or developing countries. The objective of this study is to determine the determinants of export performance for ASEAN countries. In this study, panel Autoregressive Distributed Lag (ARDL) method is adopted for time period between 2000 to 2015. Empirical findings indicate that there is a long-run relationship between determinants of export such as interest rate, economic growth and foreign direct investment with export performance of ASEAN countries. Therefore, policy makers need to strategize their policies to move towards closer cooperation among the ASEAN countries, especially promoting sustainable exportation in the region.



## Intellectual Capital of Malaysian Banks

Dee, A., Ab Rahim, R., & Mortadza, N. S.

International Journal of Academic Research in Business and Social Sciences.

The importance of intellectual capital has induced drastic movement in conducted of businesses by switching from traditional labour to knowledge labour whereby to compete with the incumbents and the newcomers. On this note, services sector especially banking industry plays a vital role in the development of economies that affected overall in gross domestic product compared to the other production sectors thus intellectual capital is important to the growth of banking sector in a nation. Therefore, the general objective of this study is to investigate the intellectual capital of Malaysian banks over the study period of 2007 to 2016 by employing Model of Value Added Intellectual Coefficient (VAIC). In view of the above scenarios, the specific objectives of this study is to investigate the sources of intellectual capital namely human capital efficiency (HCE), structural capital efficiency (SCE) and capital employed efficiency (CEE) of the Malaysian banking institution. The results of this study show that human capital efficiency is the most influential components in the intellectual capital among Malaysian banks. Thus, the findings of this study recommend on the bank's management and policy makers to increase on the efforts to encourage the utilizing in human capital which is treated as an effective alternatives in creating bank's value as well as consider the human capital as a single resources of the intellectual capital in improving on the efficiency performance of the banks.

## The Effect of Zakat toward the Macroeconomic Factors in Malaysia

Aziz, A. A., Mohamed, A. S., Yusof, S. M., & Zaidi, N. S.

Zakat is a determination to purify society from diseases of poverty without distinction of race, ethnicity, and class. Therefore, objective of this study is to investigate the effect of zakat collection on the macroeconomic factors in Malaysia. The macroeconomics factors are poverty, gross domestic product and total unemployment. The time-series data has been used in this study. The data for this study is collected from the world bank data, Pusat Pungutan Zakat-MAIWP. The test that has been used for this study are correlation analysis, ordinary least square, normality test, heteroscedasticity test, serial correlation test, Granger causality test and the Hedrick – Prescott test. The data were analyzed and run by using the statistical software which is EvIEWS 10. Three regression model has been constructed to the achieved objective for this study. In this study, the dependent variable is poverty (Headcount Index), gross domestic product (GDP) and total unemployment and the independent variable is the collection of zakat in Malaysia. The result shows there is an inverse relationship between zakat and poverty. Meanwhile, there is a positive relationship between zakat, GDP, and the unemployment rate. The policymakers and government of Malaysia could use this study to increase the awareness towards the zakat to help Malaysia to improve the system of zakat and make zakat as the main income factor of Malaysia for the futures.

## The Impact of Transformational Leadership on Employee Reactions towards Individual Work Performance: A Conceptual Paper

Apoi, A. & Latip, H. A.

International Journal of Academic Research in Business and Social Sciences.

Interest in the impact of transformational leadership on employee reactions for decades, been the focus of research studies and variety of countries. Employee reactions are usually defined in this research specifically in terms of organizational commitment, job satisfaction and citizenship behavior. Either while such studies have focused on direct or indirect relationships between the specific factors, there is little evidence of any research, which examines the leadership effectiveness as a serially integrative relationship. This study therefore proposes a more comprehensive model of transformational leadership, which incorporates the key factors of employee reactions. The expectancy theory of motivation is used to expand and clarify the current model of leadership effectiveness. This paper claims that the reactions of employees are crucially nested in the transformational leadership – individual work performance relationship. In particular, the significance of this paper is therefore to develop the serially integrative relationship model between transformational leadership, organizational commitment, organization citizenship behavior, job satisfaction and individual work performance.

**READ, WRITE, CELEBRATE!**  
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